

Liquor Control *News*

The Michigan Liquor Control Commission Bi-Monthly Newsletter



Chairman's *Corner*

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May/June 2012

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Thank you for checking out the second installment of our informational newsletter.

Since our last newsletter, there has been a lot going on. As you know, our highest priority is the reform and reinvention of our licensing process, with the goal of creating a smoother, faster, fairer, and more certain licensing process, so that applicants can get considered for licenses and permits as quickly as possible so they can get into business, or expand their businesses, and have success here in Michigan.

We understand that communication, particularly with changes to the processes and procedures coming quickly, is very important, and we need to make sure that the public is informed on the changes that are taking place. While there certainly is some demand for the licensing process changes to be made immediately, we would like to advise that, while the Commission is working diligently to create a smoother, faster, fairer, and more certain licensing process, we want to make sure we are doing our research, and making sure we fully understand the challenges and problems in the current process we have to correct. We understand the importance of making sure that applicants are considered for licenses and permits as efficiently as possible, while making sure they are thoroughly vetted to the extent the law requires.

There is also exciting news about Gov. Rick Snyder's appointments to the Commission, Bulletins that have recently been issued by the Commission, and much more.

If you are one of our licensees, we hope that this "Pure Michigan" summer is a successful one for you! Thousands of visitors will be coming to Michigan from all over the country, and we know they will love the hospitality we as Michiganders have to offer. Of course, with the privilege of selling and serving alcoholic beverages comes a serious responsibility, to sell and serve alcohol legally and responsibly. Don't sell to those under 21 years of age, don't sell to those you suspect are buying for those under 21, and don't sell to those who appear to be visibly intoxicated. Let's be sure to have a fun – and safe – "Pure Michigan" summer!

We are also issuing our second podcast, so look for that as well on our website at Michigan.gov/lcc.

As always, if you have any further questions or concerns about what is going on at the Commission, please visit our website at michigan.gov/lcc, or call us at 866-813-0011. Cheers!

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Changes to the Michigan Liquor Control Commission License Application Process



Effective July 1, 2012, the Commission is changing the procedure for submitting applications to the Michigan Liquor Control Commission (MLCC), and obtaining approvals for licenses.

Approvals from local units of government are required only for the issuance of new licenses under MCL 436.1501. The Commission will continue to review all comments received under administrative rule R 436.1105(2), taking into consideration the opinions of the local residents, local legislative body, or local law enforcement agency with regard to the proposed business. The Commission will provide notice to the local legislative body of pending applications.

“We understand that communication, particularly with changes to the processes and procedures coming quickly, is very important, and we need to make sure that the public is informed on the changes that are taking place. While there certainly is some demand for the licensing process changes to be made immediately, we would like to advise that, while the

Commission is working diligently to create a smoother, faster, fairer, and more certain licensing process, we want to make sure we are doing our research, and making sure we fully understand the challenges and problems in the current process we have to correct,” said Chairman Andy Deloney.

New procedures effective July 1, 2012:

Applications for New Licenses

- The first step in the application process for a new on-premises license is to submit the license application to the Commission, along with any license, permit, and inspection fees. This process will result in the immediate assignment of a request identification (RID) number by the Commission at the beginning of the application process. Additionally, this will allow the Commission to conduct an initial review of the application, to notify the applicant of deficient items, and to provide the applicant with the appropriate local and police forms, including blank fingerprint cards, where applicable.
- It will continue to be the responsibility of the applicant to directly submit requests for these local approvals to the local unit of government. The Commission cannot proceed with the licensing process or consider an application until that application is “complete,” as defined in MCL 436.1525(6). A completed application must include any information, records, approval, or similar item required by law or rule from a law enforcement agency or local unit of government.
- An application for a new license, which has not been previously issued by the Commission, requires approval of the local legislative body under MCL 436.1501(2) and the application will not be considered to be complete until such approval is received.”

Applications for Transfer of Ownership, Transfer of Interest, or Transfer of Location of Existing Licenses

- An application for transfer of ownership of an existing license, transfer of interest in an existing license, or transfer of location of an existing license does not require approval of the local unit of government.

Permits

- Applications for dance permits, entertainment permits, dance-entertainment permits, topless activity permits, and extended hours permits require approvals from both the local unit of government and local law enforcement agency, in addition to the Commission, under MCL 436.1916(10).

“We understand the importance of making sure that applicants are considered for licenses and permits as efficiently as possible, while making sure they are thoroughly vetted to the extent the law requires,” stated Deloney.

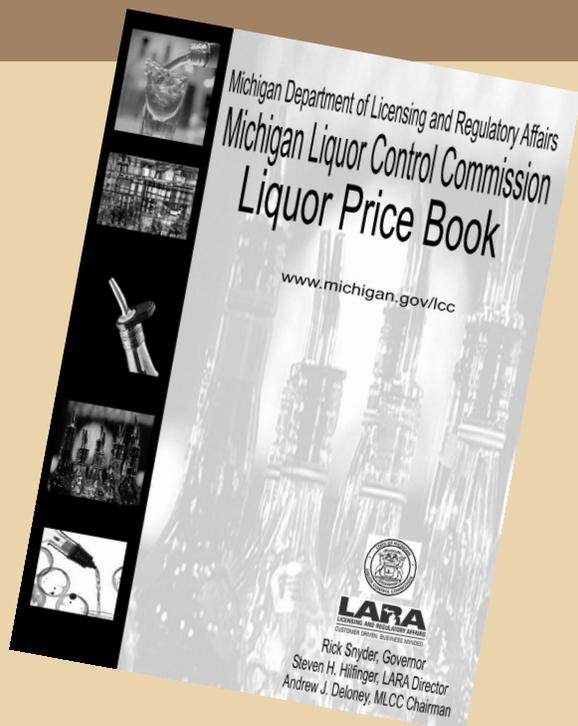
For more information about the MLCC, please visit www.michigan.gov/lcc. Follow us on Twitter www.twitter.com/MILiquorControl, “Like” us on Facebook.

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Spirit Prices Changing October 1, 2012

Please note that the next effective date for price changes is October 1, 2012. The prices in the July 29, 2012 book will only be effective for two (2) months instead of the normal three (3) month period. The reason for this change is to comply with the effective date of Public Act 166 of 2011 which repealed the specific tax equal to 1.85% of the retail selling price of spirits sold for consumption off the premises.

In addition to the mandated tax change, the Michigan Liquor Control Commission (MLCC) modified the rounding methodology used to compute base prices, On and Off Premises prices and the minimum shelf prices. As a result, the majority of prices will change October 1, 2012.



If you have any questions, please contact the Financial Management Division at 1-800-701-0513.

Bulletin 2012-08

Quarterly Price List

This is an important notice about the submission of quotations for Price List No. 228, effective October 01, 2012. It is your obligation to advise all responsible personnel in your company of this letter's contents.

- The Commission must receive all quotations for change in price, ADA and UPC code via the e-quote filing system by July 20, 2012.
- The Commission must receive quotations for new items, change in proof and pack size, which you want listed in the price list, filed by July 03, 2012.
- The Commission will not accept quotations that are incorrectly filled out.

Vendors who are members of the Michigan Spirit Association who desire copies of the price list for their own use may order them through the Association. Vendors who are not members of the Association may contact the Products and Pricing Unit to obtain copies of the price list. Administrative rule R 436.1319 prohibits the price list from being imprinted with the name of vendor.

21 to Buy
Not Supply
Think before you buy for your underage friends.

This past August the Royal Oak Community Coalition made a presentation to the Michigan Liquor License Commission on an idea to help curb teen access to alcohol. We know by all the data collected, the majority of teens report they get alcohol from a friend or family member (usually a sibling). Together we came up with campaign theme to discourage older teens asking their 21 year old friend 'to buy.' That campaign is called "21 to Buy, Not Supply".

The MCLC jumped in to help create a radio PSA, targeting this age group, gave it a name and now is working together on a plan to disseminate this campaign statewide with a logos, point of sale stickers, cooler stickers and tag lines.

Listen to our radio spot, more to come

http://www.michigan.gov/documents/lara/21_is_legal_to_buy_383199_7.wav

Bulletin # 2012-11

Snyder makes appointments to Liquor Control Commission

LANSING, Mich. – Gov. Rick Snyder announced the appointments of Edward Clemente, of Lincoln Park, and Dennis Olshove, of Warren, and the reappointment of Edward Gaffney, of Grosse Pointe Farms, to the Michigan Liquor Control Commission.

The five-member panel, housed within the Michigan Department of Licensing and Regulatory Affairs, is responsible for managing the beer, wine, distilled spirits and mixed spirit drink industries in Michigan. This includes licensing products and establishments and enforcing the state's liquor laws.

"These individuals bring extensive public service experience to the commission," said Snyder. "I am confident they will effectively support the commission in overseeing Michigan's alcoholic beverage industries and protecting consumers and the general public."

Appointed:



Clemente is president of the Energy Innovation Business Council, which provides support for alternative energy programs. He served in the Michigan House of Representatives from 2004-2010, representing parts of southern Wayne County. Prior to holding public office, Clemente worked as vice president of economic development, director of business development, chief operating officer and director of government affairs for the Southern Wayne County Chamber of Commerce. He earned a bachelor's degree in public administration from Ferris State University, a bachelor's degree in social studies from Michigan State University and a master's degree in organizational leadership from Siena Heights University. Clemente, a Democrat, replaces Colleen Pobur.



Olshove retired in 2010 after serving eight years as a Michigan State Senator, representing much of Macomb County. Previously, he served as Macomb County Commissioner, Michigan State Representative and as an administrative assistant in the office of State Rep. Curtis Hertel. In 2009, Olshove received the Michigan State Medical Society Legislative Leadership Award. He holds a bachelor's degree in communications from Michigan State University. Olshove, a Democrat, replaces Donald Weatherspoon, who resigned following his appointment as emergency manager for Muskegon Heights Public Schools.

Reappointed:



Gaffney, a Republican, was appointed to the Michigan Liquor Control Commission in 2009 and currently serves as a hearing commissioner. Previously, he served as a Michigan State Representative, representing the 1st state House district. Gaffney also was on the city council for the city of Grosse Pointe Farms from 1997-1999, and served as mayor from 1999-2003. He also held the positions of director of the Michigan Center for Truck Safety and director of regional government affairs for the American Automobile Manufacturers Association. He received a bachelor's degree in history from Eastern Connecticut State University, a master's degree in history from Michigan State University, a master of law degree from Wayne State University and a law degree from Thomas M. Cooley Law School.

Gaffney and Clemente will serve four-year terms that expire June 12, 2016, and Olshove will serve the remainder of a term that expires June 12, 2014. Their appointments are subject to the advice and consent of the Senate.

MLCC urges licensees and not-for-profit groups to plan ahead this summer, and are encouraged to turn in completed applications early

Warmer weather means increase in applications for outdoor service and one-day licenses

The Michigan Liquor Control Commission (MLCC) reminds licensees and not-for-profit organizations to plan ahead for the busy outdoor hospitality season including festivals, outside patio parties, street events and beer tents.

“We want all of our citizens and visitors to fully enjoy all that Pure Michigan has to offer this summer,” said Deloney. “But we all have an obligation to make sure we all do so safely, so that we can all continue to enjoy our great state.”

This summer, many establishments that are licensed to sell and serve alcoholic beverages will be applying to the MLCC for approval for outdoor service areas and other special permissions required by law in order to satisfy thirsty customers. Similarly, many not-for-profit organizations will be applying for special licenses, often referred to as “one-day licenses,” to allow them to host fundraising events that include the service of alcoholic beverages.

Citing the huge number of such requests the MLCC receives each year, MLCC Chairman Andy Deloney is urging liquor license holders who plan to apply for temporary or permanent outdoor service, and not-for-profit groups looking to secure special licenses, to plan ahead. “There is no need to wait to apply,” said Deloney. “The further in advance you get your application in, the more assurance you have that we can consider your application in time for your events.”

In 2011, from May 1 to August 31, the hottest period of activity for these types of requests, the MLCC processed 3,163 special license applications. According to Commission Rule 436.575, the application for a special license must be received by the Commission no fewer than 10 days before the date of the event, which includes getting the approval of the local unit of government. The special license application form can be found on the MLCC website at www.michigan.gov/lcc

along with a checklist and complete directions on how to fill the form out properly.

Establishments that are already licensed to serve alcohol, but do not have the legally-required permission to serve guests in outdoor areas will also find the required application form the MLCC website, and are similarly urged to get completed applications in early.

“Countless businesses and organizations depend on the warm months for outdoor service areas and special events to support their bottom lines,” said Deloney. “We understand how important these opportunities are. We want everyone to understand how important it is to apply in advance.”

More importantly, the MLCC urges careful focus on the safety of consumers and public health.

“We want all of our citizens and visitors to fully enjoy all that Pure Michigan has to offer this summer,” said Deloney. “But we all have an obligation to make sure we all do so safely, so that we can all continue to enjoy our great state.”





Spirit Product Delisting Procedures

At its meeting of June 5, 2012, the Michigan Liquor Control Commission amended its Order of February 15, 2007 regarding spirit product delisting. The Order is revised and adopted as a Business Operating Procedure as follows:

Currently listed spirit products which have been listed for at least one year with sales of less than 12 standard size cases in the previous one year period will be presented to the Commission for delisting.

Currently listed 70,000 series spirit products which have been listed for at least one year with sales of less than 12 standard size cases in the previous one year period will be presented to the Commission for delisting.

Products with a minimum shelf price of at least \$75.00 per bottle and less than \$250.00 per bottle with no sales activity in the previous one year period will be presented to the Commission for delisting. Products with a minimum shelf price of at least \$250.00 per bottle with no sales activity in the previous five year period will be presented to the Commission for review.

The sales activity will be reviewed biannually, for one year sales periods at the end of March and September.

All state owned inventory for spirit products which are delisted will be returned to the vendor of record at the time of review. The total current case cost of the delisted product inventory will be deducted from subsequent purchase orders.

Bulletin #2012-09

A product which is delisted under this policy may not be resubmitted for listing for a period of one year from the effective date of the product's cancellation.



As one of 17 control states, the Michigan Liquor Control Commission's guiding philosophy is to make alcoholic beverages available while regulating their sale and distribution in order to protect the rights and interests of Michigan citizens. The Commission believes this can be accomplished most effectively through selective licensing and strict enforcement. The observance of all liquor laws and the rules of the Commission is in the best interest of everyone—the public, the licensees, and the alcohol beverage industry.

